Writing off of Irrecoverable Loans by FIs

†2624. SHRI KAPIL SIBAL:
DR. D. MASTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that irrecoverable loans are written off by Financial Institutions under public sector;

(b) if so, the total amount of loans written off by these institutions during 1997-98, 1998-99 and 1999-2000; and

(c) the year-wise amount granted as loans during the above years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL): (a) In cases where settlement are negotiated or securities are enforced, the irrecoverable amounts out of such loans are written off when such assets are downgraded by financial institutions as loss assets. However, such write-offs are technical in nature for the purpose of accounting by FIs as these amounts remained due from the borrower and regular recovery process is pursued with them.

(b) and (c) Total amount of loans written off by IDBI, IFCI, ICICI (principal amount alone sacrificed) IIBI, SIDBI and EXIM Bank during the last three years are as under:

(*Rs. in crore*)

Year	Amount
1997-1998	683.31
1998-1999	1126.58
1999-2000	1196.49

No fresh sanctions or disbursements are generally made by financial institutions in respect of cases which have been written off.

Setting up of Bank of Gujarat Ltd.

2625. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state:

(a) whether RBI issued a licence to Gujarat Government for setting up of Bank of Gujarat Ltd. in Gujarat;

†Original notice of the question was received in Hindi.